

Department of Social and Health Services

DP Code/Title: PL-HH 24-hour Nursing Hotline

Program Level - 080 Medical Assistance

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Recommendation Summary Text:

The Medical Assistance Administration (MAA) requests funding to implement a 24-hour, 7-days a week, nurse consultation service for its fee-for-service (FFS) clients. The CareEnhance 360 (CE 360) service would provide health and medical consultation and direct clients to appropriate health care services, emphasizing the provision of comprehensive decision support to those clients most in need. The service would reduce inappropriate use of hospital emergency rooms and could help expand physician participation and care management.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080			
001-1 General Fund - Basic Account-State	1,268,500	1,268,500	2,537,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	1,268,500	1,268,500	2,537,000
Total Cost	2,537,000	2,537,000	5,074,000

Staffing

Package Description:

The FFS component of the MAA program accounts for about 48 percent of enrollees and 60 percent of expenditures. Growth in per capita costs for this population has averaged 10 percent annually during 1996-2001 while growth in per capita costs for MAA's managed care component averaged 5 percent annually during the same period.

To address this trend, MAA has implemented a major utilization and cost containment initiative (UCCI) that includes prescription drug and disease management components. In addition, MAA is designing a General Assistance - Unemployable (GA-U) care coordination pilot and is working with other DSHS programs to develop the department's Medicaid Integration Project, both focus on improved management of clients' medical services utilization. These care coordination initiatives will require active participation from physicians and methods to identify and direct clients to appropriate providers. Nurse consultation services can provide these functions in a cost efficient manner.

Presently, nurse consultation services are available through one of MAA's disease management contractors and are limited to 150,000 aged and disabled clients with specific conditions that make them eligible for Medicaid disease management services.

MAA is also pursuing a federal waiver that, if approved, will allow more flexibility in the management of the Medicaid program. Under the waiver, DSHS will be able to adopt premiums for higher income persons, design flexible benefit coverage for adults, and impose an enrollment freeze if caseloads and expenditures exceed legislative appropriations. The waiver will also include targeted drug and emergency room copayments to encourage clients to choose more cost-effective alternatives.

In addition, MAA has recently experienced declining physician participation the Medicaid FFS system. Fewer physicians can lead to limited client access to primary and non-emergent specialty care. Delayed access to care contributes to increased utilization of more costly hospital emergency room services. In response, the Legislature funded a 5 percent increase in payment rates for physicians in Fiscal Year 2003.

To support the waiver, care coordination, and program integration objectives, MAA would contract for CE 360, a system that will provide MAA clients health and medical consultation services that should reduce client utilization of hospital emergency rooms for more routine diagnostic and care needs. CE 360 is a 24-hour health service that serves as a central point of health care decision support, early identification, and referrals accessed via telephone and/or computer. The service compiles a

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comprehensive view of each client's health status including current symptoms, health information needs, previously diagnosed conditions, lifestyle, medication and life/work concerns and needs. Callers with identified conditions or other support needs are then linked to various internal or external services and to national or local community resources. Clients are directed to these services through telephonic transfers, callback scheduling, and data transfer. The result is:

- 1) Reduced medical cost from decreased use of emergency room and physician office visits;
- 2) Increased program enrollment rates and earlier identification of conditions, with improved health outcomes and reduced costs for clients with targeted conditions;
- 3) Improved quality due to hospital admissions that are avoided for conditions that can be treated appropriately on an outpatient basis.

As part of the Medicaid waiver provisions, hospitals would also be able to direct MAA clients to the nurse consultation service as a means to avoid the emergency room copayment.

Nurse consultation services may also increase physicians' willingness to serve MAA clients by reducing their administrative overhead by providing an after-hours response system for MAA clients and reducing appointment no-shows.

Narrative Justification and Impact Statement

How contributes to strategic plan:

One of MAA's 2004-2009 Strategic Plan Goals is to improve health care access, quality, care management and service utilization for aged, blind, disabled and GA-U clients. The nurse consultation service is one of the strategies to achieve this goal. The consultation service also supports other strategies (e.g., increase provider participation in Medicaid, care coordination, and program integration).

MAA anticipates client satisfaction with the service in the upper 96th percentile in the following areas:

- 1) Overall patient satisfaction with the program;
- 2) Nurse's understanding of symptom and concerns;
- 3) Education and support provided by nurse; nurse's ability to answer questions about disease;
- 4) Comfort level speaking to the nurse;
- 5) Would recommend the condition management program to a family client or friend with the same disease; and
- 6) Access to the condition management program makes them feel more positive about their MAA coverage.

Performance Measure Detail

Goal:

Incremental Changes

FY 1

FY 2

Reason for change:

The FFS populations' per-capita costs have been increasing at over 10 percent per-year. MAA continues to experience reduced physician access for its FFS clients. Access to nurse consultation services is one of several strategies to reduce inappropriate use of services and to expand physician participation.

Impact on clients and services:

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Some 390,000 (45 percent) of MAA's most medically vulnerable clients receive care through the FFS system. About 150,000 will have access to this service through MAA's disease management programs. The nurse consultation services will increase access to medical consultation and could help expand primary care physicians for an additional 250,000 clients and assist these clients to use appropriate medical services.

Currently, consultation services are available to MAA clients receiving care through the Healthy Options managed care system. These services are an Health Options contract requirement.

Impact on other state programs:

The nurse consultation service may reduce demand for Mental Health Division (MHD) financed services by providing consultation that may otherwise be sought through the Regional Support Networks (RSN). It also may reduce the burden on Aging and Adult Services Administration (AASA) and Division of Developmental Disabilities (DDD) case manager contractors.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

MAA's WACs and Title XIX and XXI state plans would be revised to incorporate nurse consultation as a covered service.

Alternatives explored by agency:

MAA could develop an in-house nurse consultation service, but the department chose not to pursue that approach because of the additional FTEs and related employment costs, and the need to build an infrastructure to support this type of service.

Budget impacts in future biennia:

The costs of this proposal would continue through future biennia.

Distinction between one-time and ongoing costs:

All cost are ongoing at \$2,537,000 per fiscal year.

Effects of non-funding:

Approximately 250,000 MAA clients, who are not receiving Health Options managed care or disease management would continue to have difficulty in accessing medical consultation. They also may have less access to primary care and non-urgent specialty care.

Expenditure Calculations and Assumptions:

Preliminary estimates of the cost of providing nurse consultation services on a 24 hour-day, 7 day-week basis ranges from \$932,000 for 19,100 billable calls at a per call expense of \$0.31 per member per month (PMPM) to \$2,537,000 for 78,100 billable calls at a per call expense of \$0.84 PMPM. This proposal uses the high estimate and assumes that call volumes will reflect frequent use of the services by clients due to aggressive marketing by the contractor and MAA.

See attachment - PL-HH 24-Hour Nursing Hotline.xls

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<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
N Grants, Benefits & Client Services	2,537,000	2,537,000	5,074,000

DSHS Source Code Detail

Program 080		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	1,268,500	1,268,500	2,537,000
<i>Total for Fund 001-1</i>		1,268,500	1,268,500	2,537,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	1,268,500	1,268,500	2,537,000
<i>Total for Fund 001-C</i>		1,268,500	1,268,500	2,537,000
Total Program 080		2,537,000	2,537,000	5,074,000